

Administration of Joseph R. Biden, Jr., 2023

Remarks on Efforts To Protect Consumers From Junk Fees

October 11, 2023

The President. Thank you, thank you, thank you.

Medford, OR, resident Becky Chong. Thank you.

The President. They're going to walk you down those stairs.

Ms. Chong. Okay.

The President. Watch your step.

Ms. Chong. All right, thank you so much.

The President. Becky, thank you.

Hamas Attacks Against Israel

Folks, before I begin—please have a seat. Before I begin, I want to say a few words why I'm a little late and what I—what we were doing. And let me—and I want to speak a little bit about what's going on in Israel right now.

We continue to monitor the situation in Israel very closely, and the Vice President and I and the bulk of my security team spoke with the Prime Minister, Netanyahu, again this morning. And I'll be speaking about this this afternoon during my meeting with the Jewish American leaders.

This attack has brought to the surface the painful memories and scars left by a millennia of anti-Semitism and genocide against the Jewish people.

And in this moment, we have to be crystal clear: There is no justification for terrorism. No excuse. And the type of terrorism that was exhibited here was just beyond the pale. Beyond the pale.

As I said yesterday, my commitment to Israel's security and the safety of the Jewish people is unshakeable. The United States has Israel's back. And we're going to be working on this all through today and beyond.

But again, I apologize for keeping you waiting.

Efforts To Protect Consumers From Junk Fees

Thank you, Becky, for that introduction and for sharing your story that's familiar to so many families.

This gets down to a basic problem, a basic circumstance. It's just about fairness. It's just about simple fairness. You know, folks are being—tired of being taken advantage of and being played for suckers.

That's why I'm here with the Director of the Consumer Financial Protection Bureau, Rohit Chopra. Where are you, Rohit? There you are. Great! Stand up. Let people see who you are. And the Chair of the Federal Trade Commission, Lina Khan. Lina, stand up.

They are members of the Competition Council that I created to promote competition across the economy and lower costs for families. And I'm not going to introduce everybody, but you know, we wouldn't be getting anywhere without the incredible support of the Members of

Congress who are here today. And we may have to go back and actually change the law—change the circumstances. And so I'm counting on you.

Anyway, would all the Members of Congress stand up so everybody can see you?

In any fight I'm in, that's the team I want on my side. *[Laughter]*

Look, one of the key things I've asked the Council to tackle are the unfair fees known as junk fees, those hidden charges that companies sneak into your bill to make you pay more because they can. Just simply because they can. Charges that are taking real money out of the pockets of American families.

These junk fees can add up to hundreds of dollars, weighing down family budgets and making it harder to pay family bills. These junk fees may not matter to the wealthy, but they sure matter to working folks in homes like the one I grew up in.

The way I think about it is the way my dad talked about it and the way so many of you at home talk about it around the kitchen table. How much are your monthly bills? And after they're all paid, how much do you have left for necessities? It's enough—is there left over just to give you a little bit of breathing room? Well, these junk fees suck up all that breathing room, among other things.

Now think of today: How many folks are asking how much more do they have to pay to cover those hidden junk fees that really add up? You know, over the past 2 years, my administration has taken, with the help of the Members of Congress, a number of steps to crack down on unfair and deceptive junk fees in banking, hotels, concert, airlines, retail housing—or, excuse me—rental housing, cable, internet, health care. A whole range of issues. A whole range of them.

For example, two summers ago, if your flight was canceled or delayed, almost no major airline would guarantee you anything other than costing you a fee to rebook that. Even if it was their fault, you had to pay a fee to rebook.

Now 10 airlines rebook for free. And I'm looking to get the law passed so none of them can—they all have to do that. And that's a win for consumers.

Other companies have also responded to my call for action and adopted so-called all-in, upfront pricing. That's where companies fully disclose their fees up front when you start—when you start shopping and there's no real surprise at the end when you check out.

This summer, I hosted business leaders at an event to announce the voluntary changes that companies like Airbnb, DICE, and others were making to provide customers with an all-in, upfront pricing so there's no surprise. Tens of millions of Americans have already benefited from this, and that's progress.

Today I'm proud to announce that my administration is taking our most comprehensive action ever to eliminate junk fees in the—and in—fees in industries and sectors across the board, across the entire economy.

You know, if these rules are finalized, they won't just be voluntarily. They'll be made mandatory—mandatory. It would do more than embarrass a company; it would make them mandatory.

But first, here's how: The Federal Trade Commission is proposing a new rule that would ban hidden fees across the economy and require companies to show consumers the all-in pricing up front—up front. That includes what these fees are for, how much they amount to in full, and whether they are refundable.

Research shows that without realizing it, folks can end up paying as much as 20 percent more because of hidden junk fees than they would have paid if they could see the full price up front and compare it with other options.

It's wrong. It's wrong. It's just taking advantage of people. And it makes it harder for honest businesses who are trying to do the right thing to compete with dishonest companies who trick customers into thinking their prices are lower when they, in fact, are not.

Look, if this proposed rule is finalized as proposed, the FTC would have the power to impose financial penalties on companies that don't disclose their full upfront price and secure refunds for customers who have been defrauded by companies charging hidden fees.

Second, the Consumer Financial Protection Bureau as—is banning bank fees and credit unions from charging fees for basic services like checking your account balance—checking your account balance—retrieving old bank records, or looking up your balance on a loan.

You know, some banks charge as much as \$30 for these services every time you call. It's outrageous. It's really outrageous. And today they're making clear that the—we're making clear these fees are now illegal.

Look, we're not stopping there. There are tens of billions of dollars in other junk fees across the economy and have directed—I've directed my administration to crack down on them as well.

For example, later this month, the CFPB will propose another new rule that would require banks to make it easier for customers to switch banks, something banks have made really difficult for folks to do. This new rule would increase competition and deter junk fees.

All of these actions are going to make a real difference in people's lives. We're already seeing how. Today, for example, the Consumer Financial Protection Bureau released a report showing that, since I took office, nearly two-thirds of the largest banks have eliminated bounced-check fees entirely. And that was a lot of money.

And by the way, they calculated: These bounced-check fees for consumers have declined by nearly \$2 billion. This isn't chump change. This is a lot of money. By \$2 billion. And that's close to a 90-percent reduction. In addition, we've secured \$140 million in refunds for consumers who were charged illegal junk fees by these banks.

And look—and we're also sending new guidance to every Federal agency on how they can promote real competition in their work.

You know, and as we take these actions, I continue to call on Congress to pass what my friends in the front row here mostly support: Junk Fee—the Junk Fee—the Junk Fee Prevention Act. Hard to say. Anyway, but all kidding aside, I'm asking Congress to take the action so this makes it a matter of law.

Today's actions are a part of my broader economic vision to move from trickle-down economics to what everyone in the Wall Street Journal to the Financial Times began to call "Bidenomics." I don't think they meant it as a compliment at first. *[Laughter]* It's about growing the economy from the middle out and the bottom up, not the top down.

Last week's jobs report shows Bidenomics is working. We added 336,000 jobs last month. We've created more than—*[applause]*. We've created more than 13,900,000 new jobs since I've taken office. That's more than any President ever has in all of history. And that's more than—look, and the unemployment rate has stayed below 4 percent for 20 straight months, the longest stretch in 50 years.

So, look, and inflation continues to fall, down nearly 60 percent from last summer. And now we have the lowest inflation of any major economy in the world, and we're going to make it lower.

And in August, we announced the first 10 prescription drugs that Medicare selected for negotiation under the Inflation Reduction Act. That's a fancy way of saying: For many years, Big Pharma blocked us along the way. They kept prescription drug prices high and increased their profits, extended patents on their existing drugs, and suppressed competition instead of innovating.

And by the way, you order a prescription drug made in the United States of America—you buy it in New York City or Washington, DC, or Omaha, Nebraska—it costs a hell of a lot more than the same exact drug by the same company sold in Toronto, Canada; London; Rome; or anywhere else in the world—the same exact drug. You know, playing games with pricing so they could charge whatever they want.

But this time, we finally beat Big Pharma. How long have we been trying to do this? This has been going on a long time. None of the women in the front row here have been around for more than 2 or 3 years, but some of the guys have been here for a hell of a long time. *[Laughter]*

But all kidding aside, think about it. We've been fighting this fight for a long, long time—long before I was President or Vice President.

We passed the Inflation Reduction Act with no help from any of our Republicans friends. Every single one voted against it, but maybe they will see the light. And among many important things it does, it finally gives Medicare the ability to negotiate lower prescription drug prices like they can do in the—with Veterans Affairs—like they do now.

That's not all—and by the way, that not only saves the consumer. It reduces the Federal budget. *[Laughter]* Because guess what? We don't have to pay that money out—taxpayers' money—to reward these companies for overcharging.

It's something everybody forgets. It's over—well over a billion dollars—anyway, I won't get into how much it saved. *[Laughter]* But—I've kept you sitting too long.

But seniors on Medicare are now paying as much as \$400 a month for insulin. Well, now they're just going to have to pay \$35 a month. And I might note: It costs these companies \$10 to make the insulin—10. To package it, you might be able to get it to \$12. And they're still getting paid \$35, which is almost a 300-percent increase—more than a 300-percent increase. Now, I don't get why—anyway.

We're also—*[laughter]*—capping total out-of-price—out-of-pocket costs for seniors on Medicare at \$2,000 a year, even for expensive cancer drugs that can cost \$10-, \$12-, \$14,000 a year. No matter what your prescription drug costs are—beginning next year, no matter how much they are, no seniors are going to have to pay more than \$2,000—\$2,000. And it matters.

Look, let me close with this. When I ran for President, I promised we would not continue the trickle-down economics of the past. Because here's the simple truth: Trickle-down economics represented the moment we walked away from how this country's middle class was built, in my view. Not a lot trickled down to my dad's kitchen table, I don't recall.

Bidenomics is just another way of saying restoring the American Dream. Trickle-down limited the dream to those at the top. But I believe that every American willing to do hard work should be able to achieve it no matter where they live in every part of the country.

That's the American Dream, that's Bidenomics, and that's why I can honestly say I've never been more optimistic about America's future.

We just have to remember who we are. We are the United States of America, for God's sake. There is nothing—and I mean it sincerely—there is nothing beyond our capacity when we work together.

So God bless you all, thank you for the strong support, and may God protect our troops. Thank you, thank you, thank you.

NOTE: The President spoke at 12:02 p.m. in the Rose Garden at the White House.

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